

**For immediate release**

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## **Employment expectations remain healthy**

*Despite increased salary demands from candidates*

**SINGAPORE – 18 OCTOBER 2007** – Singapore has a higher proportion of respondents (at 58%) who ‘often’ or ‘very often’ received demands for higher salaries than they are willing to pay than any other market surveyed. There is a significant gap between companies’ offers and candidates’ expectations, with 57% of respondents saying that candidates are asking for more than 10% above the salaries they are offering. This is the second highest figure among all the markets surveyed in Asia, after China. Employment expectations remain steady at 54% in Quarter 4 (Q4) 2007 but the market continues to see a lack of candidates.

Hudson, a leading provider of permanent recruitment, contract professionals and talent management services worldwide, today released findings of its comprehensive quarterly *Hudson Report* for Asia. With a reputation as a key socio-economic indicator in the current marketplace since its Asia launch in 1998, the survey on employers’ expectations of an increase or decrease in staffing levels represent a significant indication of their optimism in the growth of their organisation and their industry as a whole. The *Hudson Report* surveys the expectations of nearly 2,500 key employment decision makers from multinational organisations of all sizes in all major industry sectors, with 723 of these executives based in Singapore.

Significant findings in the **Q4 2007 Hudson Report** are:

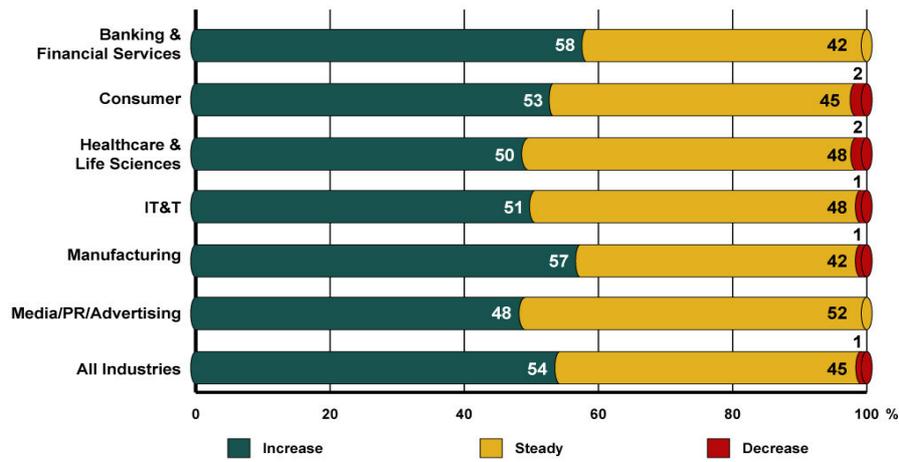
- Employment expectations are steady over the longer term: the proportion of respondents anticipating hiring growth has been in the 52%-56% range for seven quarters;
- Employee tenure is low on average, with 36% of employees quitting within two years or less;
- Many companies are using counter offers to retain staff: 71% of respondents say they do so;
- Singapore has a higher proportion of respondents who ‘often’ or ‘very often’ receive demands for higher salaries than they are willing to pay than any other market surveyed in Asia;
- There is a big gap in salary expectations: 57% say that candidates are asking for more than 10% above the salaries they are offering;
- A strong brand name and good career progression rather than an increase in remuneration are seen as the most effective ways of attracting top talent.

**Expectations to hire remains steady**

Employment expectations remain steady, with 54% of the respondents across all sectors forecasting headcount growth in Q4, which is the same for the previous quarter.

Mark Sparrow, Singapore Country Manager, Hudson says, *“Employment expectations, which have long been at a high level, remain steady. Employers are facing a number of major challenges, including demands for much higher salaries than they are willing to pay and low average employee tenure.”*

**Permanent employment expectations in Singapore**



Source: The Hudson Report – Singapore, Q4 2007

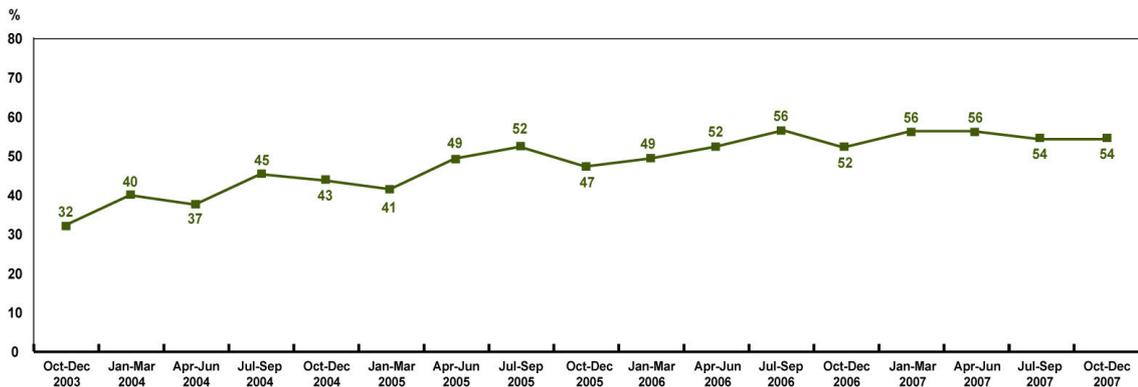
In the Banking & Financial Services sector, 58% of respondents plan to grow headcount in Q4, up from 57% in Q3. This reflects the buoyancy of this market as hiring traditionally slows down in the last quarter.

**Employment expectations remain steady over the year**

Hiring expectations have remained at a healthy level over the past year. Across all sectors, the 54% of respondents who plan to grow headcount this quarter remain constant compares with 52% in Q4 2006. The proportion of respondents forecasting hiring growth has now been in the 52% - 56% range for seven quarters.

The Consumer sector reports the greatest increase in hiring expectations: the proportion of respondents expecting to hire more staff rose from 41% in Q4 2006 to 53% this quarter. Employment expectations have risen further in the Banking sector, from 54% a year ago to 58% now. These figures reflect the continuing strength and confidence in this sector. There is intense competition for staff in all areas.

## Permanent increased hiring expectations over time in Singapore



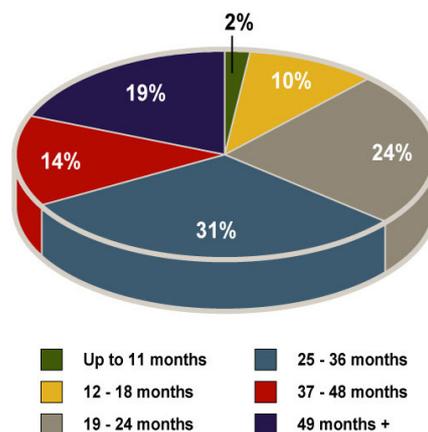
Source: The Hudson Report – Singapore, Q4 2007

## Average employee tenure is low

Low average employee tenure is a major issue for employers in today's candidate-short market. Across all sectors, 36% of employees have an average tenure of two years or less, while just 19% of staff stay with their company for more than four years.

The Banking & Financial Services sector reports the shortest average employee tenure. Nearly half of all staff (47%) resign within two years, and only 17% stay with their employer for more than three years, a lower figure than for any other sector surveyed. In the Consumer sector, 35% of employees leave their companies within two years.

### Average tenure in a company - all industries



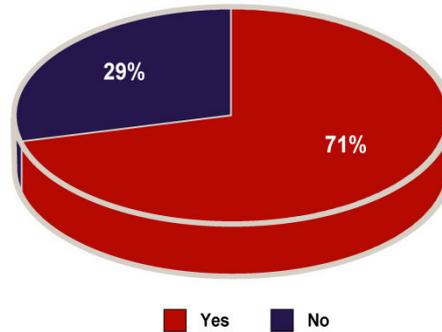
Source: The Hudson Report – Singapore, Q4 2007

## Many employers make counter offers

Overall, 71% of respondents say they will make counter offers to retain employees who are planning to leave. This is the second highest figure reported in the markets surveyed in Asia.

The Banking & Financial Services sector has the highest proportion of respondents who are prepared to make counter offers – 80%. Manufacturing companies are also likely to make counter offers, with 73% saying they will do so.

### Policy on counter offers - all industries



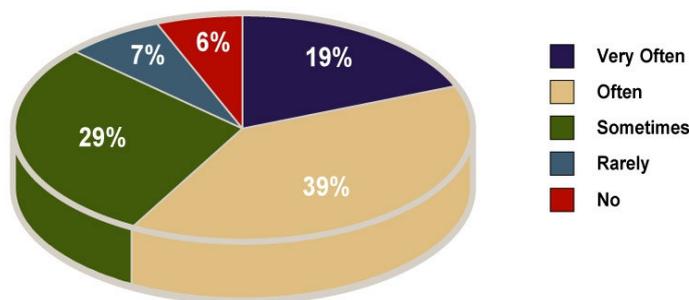
Source: The Hudson Report – Singapore, Q4 2007

### Higher salaries demanded than what employers are willing to offer

Employers in Singapore are increasingly likely to find that candidates are asking for higher salaries than they are willing to offer. Across all sectors, 58% of respondents say that they ‘often’ or ‘very often’ receive such demands. This is a higher proportion than in any other market surveyed in Asia.

Candidates in the Manufacturing and Banking & Financial Services sectors are the most likely to ask for higher salaries than companies are prepared to pay: 66% and 62% of respondents say that they ‘often’ or ‘very often’ receive demands they are unwilling to meet.

### Frequency of candidates demanding higher salaries - all industries



Source: The Hudson Report – Singapore, Q4 2007

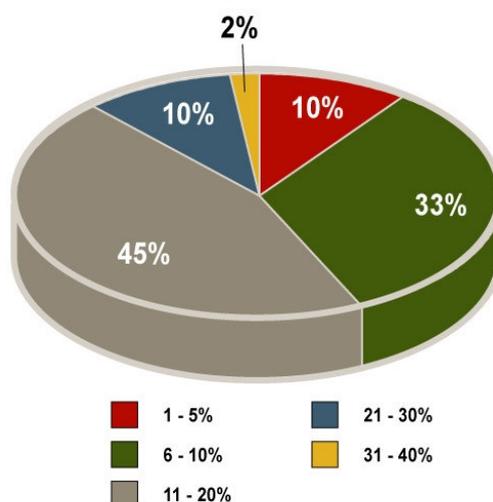
### Significant gap in salary expectations

There appears to be a significant gap between companies’ offers and candidates’ expectations in terms of salaries. Across all sectors, 57% of respondents say that candidates are asking for more

than 10% above the salaries they are offering. This is the second highest figure among the markets surveyed in Asia, after China.

The Media/PR/Advertising sector has the biggest gap in salary expectations, with 81% saying that candidates are asking for more than 10% above what they are prepared to pay. This is followed by the Manufacturing sector, which also reports a large gap in expectations: 62% say that candidates are demanding increases of more than 10% above their offers.

**Amount of salary gap - all industries**



Source: The Hudson Report – Singapore, Q4 2007

## **Hudson**

Hudson (NASDAQ: HHGP) is a leading provider of permanent recruitment, contract professionals and talent management services worldwide. From single placements to total outsourced solutions, Hudson helps clients achieve greater organisational performance by assessing, recruiting, developing and engaging the best and brightest people for their businesses. The company employs more than 3,600 professionals serving clients and candidates in more than 20 countries. More information is available at [www.hudson.com](http://www.hudson.com).

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